QAC Broadband Advisory Committee Meeting - Notes

September 20, 2018 4pm - 6 pm | Maryland Broadband Coop/Drew VanDopp and Tyler Patton

Attendees

BAC/QAC

- Alison Davis
- Megan DelGaudio
- Joyce Jones
- Jacob Wargotz
- Adam Weinstein
- Ben Schaffle
- Andrew Costello
- Scott Seaborne

Maryland Broadband Cooperative

- Drew VanDopp
- Tyler Patton

The BAC invited Maryland Broadband Cooperative (MDBB) to come and provide an overview of who they are, what they do and their presence in Queen Anne's County.

Before we started discussing MDBB Ben had a question regarding the minutes as to the ownership of Kent County fiber. As is understood KentFOS owns the Kent County network with a substantial number of fibers available for Kent County Government's exclusive use. Kent County government is able to use those fibers with no restrictions.

We also discussed reasons why there is only one ISP on Kent County's network. Cost for setting up equipment to cover only those left without service is a possible reason (cost of customer service, new maintenance, new troubleshooting).

MDBB Overview

- Created in 2006 – $18.4M – to create the fiber interstate – but not the rural roads
- 70 ISP's are members of the cooperative - all have the right to use the assets anywhere in the State
- MDBB provide long haul transport back to Ashburn, McLean or where they need to reach service (hand off location).
- Considered the middle mile provider – own and control about 2000 miles of fiber across the state with 26 Point of Presence (POP) locations. Provide 1GB up to 100 GB circuits
- Started on US 50 and MD213 as part of an Economic Development (Dept of Commerce) push – have continued to expand
- Expansion with Electric companies (strange isolated areas on map and connection through Sudlersville) SMECO and Choptank. These electric companies use fiber to manage their networks and set aside fibers for their partners (MDBB) to use. As they build new communities they add fiber (dig once policy). Helping to create redundant loops of fiber to protect against internet outages.

- To use MDBB services – common scenario - Large telecom provider with relationship with a local company would like service in a specific location. The ISP contacts MDBB. MDBB runs a lateral to the location of ISP hand off. Ex.) MDBB built to Wallops Island. MDBB POP on Milldam road on the way into the facility – fiber from there to manhole 0 on the base (middle mile). Base owned fiber connects back to the manhole (last mile).
- ISP's can tap into the Coop line to get anywhere they want to provide service. Not used by all for a few reasons. Business model and investment strategy. Cost to create a new node and provide service (customer service, maintenance, tech support) to a small number of consumers (market already saturated). Some prefer to build their own and consider it a real estate investment. Could not do that with leased fiber.
- ISP's typically will not compete – another ISP will not come into QAC and fight for ~4000 people there are left to serve
- MDBB is success driven – they do not build speculatively. Don't have a fund to build to places in hopes someone will tap into the line. No partner in place – they don't build.
- Typically do not build on roads without numbers. Only build on Federal and State roads.
- Current enhancement – Undersea build from Cambridge to Taylor's Island to Southern Maryland (ready in a few weeks). Currently have fiber on both spans of the Bay Bridge and up MD 213 through Elkton and down 95. Multiple paths of redundancy.
- Coop has a team of 6 who fix fiber breaks along with lots of trusted contractors and relationships with partners. When there is a break the first person there fixes it and they figure out who pays on the back end.

MDBB advice for our situation

- For our issues consider out of the box thinking – Easton utilities talked to a large community and told them the cost to get to them is ~$500K. Worked with community to find out if they would be willing to pay x dollars above their normal rate per month until the build was paid off – then convert to the normal rate. Similar to SKI project.
- Millionaire at the end of the road – Build fiber to millionaire then for each person that connects on that road repay the millionaire. Was whole again in 18 months.
- Be open with people about the reality of the problem and flexible with how to accomplish fixing it.
- However you fix the issue there has to be a sustainable business model. Can't rely on ongoing subsidies.
- Allegheny County Schools – built a line to school – MDBB built beyond that to business park in town. County can pay to build then have MDBB own the asset. Next wrap it into break/fixes with the State and open the asset to ISP's on their network.
- No one has gotten rid of an incumbent ISP – many Counties have taken steps to fill in gaps. MDBB has been the negotiator between Counties and incumbents due to many adversarial relationships.
- County could become an ISP, but most Counties are not in the business of taking customer service calls, doing maintenance and troubleshooting user issues. Better

scenario would be to find a willing ISP to provide retail service using a model that allows the County to get a revenue stream off of those services.

- Be willing to partner
- WISPs only provide internet service – issues with getting best placement on towers. Tower rent is costly and preventative for WISPs since they need to minimally cover rental costs.
- Is the County constrained by a Countywide project? How many budget years can we contemplate?
- Make a x dollar commitment over a 5 or 10 year period to solve the problem in x area
- Taxes, loans, bonds or some way to put money up for it – do we get an asset out of it? A revenue stream? (Adam)
- Published studies claim that housing costs increase with connection to fiber/broadband – 1.5 x or 3 x (Joyce)
- One dig policy – working with highway departments – be sure to include a network design – hand box placement – otherwise you are just burying glass. Needs to be part of an integrated plan. (But this is similar to what Choptank is doing)
- Delmarva Power not involved with MDBB expansion since they expand using poles
- Leverage the reach of all incumbent assets and plan to fund a network. Run all business models. At the end of the day it is a political will decision.

Committee discussion

- Bring in BCC to the next regular meeting – 10/18
- Moving forward –
    - Need to know where the growth of the County is planned.
    - Determine how to prioritize sites – staged approach based on availability of current assets, density, cost, prioritized growth, political will…
    - Request Commissioners approval for an RFP for unbiased contractor for help with financial plan and advise on prioritization
        - Plan would provide how to spend least amount of money to get to most amount of people
        - Provide a baseline that says if you do x you get to x % of the unserved population
        - Use data (density, prioritized growth…) to backup all proposed stages
        - Try to hit Public agencies such as firehouses on the way to provide citizens with service – show joint benefit
    - With budget timing minimally get some sort of draft plan to Commissioners to consider for the next budget year. Seven figure budget for x years.
    - Look into State Highway repaving schedule to see if there is an opportunity to add conduit while repaving. (Andrew will find a contact)